



CITY COUNCIL

Evidentiary Hearing

**Liquor License Intermunicipal Transfer
600 Penn St (former Ocean Blue space)**

Monday, July 27, 2023

Hybrid

5:00 p.m.

City Council meetings, hearing and other sessions are filmed and can be viewed LIVE while the meeting is taking place via the attached Zoom link and dial-in phone number, on Facebook and on BCTV MAC Channel 99 . Comments posted in Zoom Chat and on Facebook are not considered public comment and a response may not occur.

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join. <https://readingpa.zoom.us/j/82359404622?pwd=ay84empLYUN3czllyzJMbTUvMkpSQOT09>

Passcode: 747450

Or join by phone:

Dial: US: +1 301 715 8592

Webinar ID: 823 5940 4622

Passcode: 747450

Public Comment Instructions:

Citizens desiring to address the Council at its public hearing may do so by providing notice verbally or in writing by providing their name, address and the subject matter to be discussed to the City Clerk any time before 5:00 p.m. on the day of the scheduled hearing. Any person who fails to sign in with the City Clerk shall not be permitted to speak until all those who signed in have done so. Those testifying must limit their comments to three minutes. Citizens may also choose to submit written public comment via letter or email by sending a letter or email clearly marked "public comment" by 4:00 p.m. on the day of the meeting.

All remarks must be directed to Council as a body and not to any individual Council member or public or elected official in attendance. Any comment that is personally offensive or impertinent will not be read into the record.

1. Call to Order & Purpose

Act 141 of 2000 amends the Commonwealth's Liquor Code to require the receiving municipality to hold a public hearing to obtain input from the community about the impact the approval of the liquor license transfer would have on their neighborhood if the number of licenses in the municipality exceeds one license per 3,000 inhabitants as determined at the date of filing of the application. The quota for the City of Reading is currently 29 licenses. There are currently 45 active Restaurant licenses in Reading, with 3 restaurant licenses available in safekeeping and none are available for sale. City Council must approve or deny the transfer within 45 days after the request to transfer is made.

II. Testimony from Applicant (No more than 5 minutes)

During the hearing process, applicants are cautioned not to address the Administrative staff present but to make their presentation directly to City Council. The applicant may ask the President of Council or the Hearing Master to relay a question to Administrative staff.

Owner: Skyline Cuisine & Bar LLC, Cesar Lopez – Matthew Mayer, Esq

III. Council's Cross Examination

IV. Testimony from City Staff (No more than 5 minutes)

1. Police
2. Zoning

V. Other Testimony and Evidence

VI. Public Comment (No More than 3 minutes per speaker)

VII. Rebuttal by Applicant (No more than 5 minutes)

VIII. City Council will render a decision by adopting resolution at the August 14 or 28 Regular Meeting of Council

IX. Adjourn

MediaNews Group

PENNSYLVANIA GROUP

Date of proof: 07/05/23

Account:	1333909
Name:	John
Company:	CITY OF READING - LINDA
Address:	815 WASHINGTON STREET READING, PA 19601
Telephone:	(610) 655-6076
Fax:	
Ad ID:	2492406
Description:	City of Reading Public Hearing Trans
Class:	1201
Orig User:	CRPKERR
Words:	154
Lines:	38
Agate Lines:	38
Column width:	1
Depth:	4.222
Blind Box:	
Total:	\$219.52
Run Dates:	07/10/23 07/17/23 07/10/23 07/17/23

Publication
Reading Eagle, Reading Eagle Digital

Ad sample

City of Reading Public Hearing Transfer of Liquor License To 600 Penn St 1st Floor Former Ocean Blue space

The City of Reading City Council will be holding a public hearing to obtain public input on the request from Skyline Cuisine & Bar LLC for the transfer of a liquor license from outside the City to 600 Penn St., Reading PA in the former Ocean Blue restaurant space. The hearing will be held on Thursday, July 27, 2023 at 5:00 p.m. in Council Chambers, City Hall, 815 Washington Street, Reading, PA

City Council intends to render a decision on this request at their regular business meeting scheduled for Monday, August 14 at 7 p.m. in Council Chambers. For additional information please call the City Clerk's Office, City Hall, 815 Washington St, Rdg, PA during regular business hours or E Mail at Council@readingpa.gov

Linda A. Kelleher CMC
City Clerk
RE July 10 & 17 A-1

We Appreciate Your Business!
Thank You John!

Notice to Adjacent Properties Mailed July 7th

601 Penn St Berks County Bank &
Sovereign Bank
PO Box 14155 Reading PA

KNG Equity Reading LLC
Po Box 235
Timonium MD 21094

ACME Structure II LP
50 N 5th St
Reading PA 19601

Berks County Convention Ctr
130 N 6th St
Reading PA 19601

Reading Hospitality LLC
4500 Perkiomen Ave
Reading pa 19606

ZP NO 123 LP
PO Box 1610
Cockeysville Hunt VA MD 21030

Home Elite LTD/Lafayette
Venture Partners LP/6th/Penn LP
491 York Rd Ste 200
Jenkintown PA 19046-2737

Date & Time Received: _____



City of Reading Inter-Municipal Transfer of Liquor License Application

Street Address of Premises to Receive Liquor License: 600 Penn Street, 1 st Floor		City and State: Reading, PA	Zip Code: 19602
Subdivision: N/A	Lot Number: N/A	Parcel Number: 04530783805043	Zoning District: Commercial

One (1) copy of this application, including required items below, must be submitted to the City Clerk along with an electronic copy emailed to Council@readingpa.gov.

- Property Deed, Agreement of Sale, Lease
- Sketch Plan of the property identifying the existing and proposed improvements
- Plan of the interior of the building/facility identifying the locations and dimensions of the bar area, restaurant area, kitchen, bathrooms, outdoor patron areas, and storage areas as applicable
- Floor plan identifying the proposed layout of the bar area, restaurant area, and/or outdoor patron areas, including but not limited to, the location of the bar(s), tables, chairs, stools, dance floor(s), stage(s), and/or any other areas to which the public will have access as applicable
- Complete list of the names, addresses, and tax parcel numbers of the owners of all properties located within three hundred (300) feet of the Premises proposed to be Licensed
- List of all other properties and/or businesses owned and/or operated by the Applicant and/or the owners, equity owners, directors, and/or officers of the Applicant that have, at any time, been issued or held liquor licenses (include liquor license number)
- List of all licenses currently in safekeeping with the PA LCB including the type of license, name of owner and address of location - Describe effort made to purchase these licenses
- List of the premises within 200 feet of the proposed locations that have a PA LCB license and the type of license

1. Applicant (Proposed Licensee):

Name: Skyline Cuisine & Bar Limited Liability Company

Address: 600 Penn Street, 1st Floor, Reading, PA 19602

Phone: (347) 664-2380

Fax: _____ Email: cesar.lopez0621@gmail.com

2. Attorney for Applicant:

Name: Matthew M. Mayer, Esquire (Barley Snyder LLP)

Address: 2755 Century Boulevard, Wyomissing, PA 19610

Phone: (610) 372-3500

Fax: (610) 372-8671

Email: mmayer@barley.com

3. Type of Liquor License to be transferred: Restaurant

4. Liquor License No. R-18625 LID No. 104002

5. Premises from which License is proposed to be transferred:

Address: License is currently in safekeeping and not in use

Township/Borough: Hamburg Tax Parcel No. N/A

Name of Current Owner: Kings Restaurant Group II, LLC

Address of Current Owner: 16515 Pottsville Pike, Suite A, Hamburg, PA 19526

6. Premises proposed to be licensed in Reading:

Address: 600 Penn Street, 1st Floor

Township/Borough: City of Reading Tax Parcel No. 04530783805043

Name of Current Owner: 600 Penn Street, LP

Address of Current Owner: 50 N. 5th Street, Reading, PA 19601

7. Description of the Nature of Applicant's current and proposed interest in the Premises proposed to be licensed (attach copy of lease or agreement): The applicant currently leases the Premises from 600 Penn Street, LP. A copy of the Lease is attached.

8. Description of the Premises proposed to be licensed: The Applicant/Premises is a fine dining restaurant serving Latin and International cuisine. The Applicant serves breakfast, lunch and dinner and provides take-out/delivery services. The Applicant also has private rooms for meetings and events.

9. Will the Application to the PLCB for transfer of the License be on a "Prior Approval" basis? (If yes, describe) No

10. Present Zoning Classification of the Premises proposed to be Licensed and the Zoning District the property is in: Commercial – Commercial Core District _____

11. Present Zoning Classification of all areas within five hundred (500) feet of the premises proposed to be Licensed: Commercial

12. Present Use of the Premises proposed to be Licensed: Restaurant

13. Description of the neighborhood (s) located within five hundred (500) of the Premises proposed to be Licensed: The Premises is located in the downtown Penn Street Commercial District. All surrounding properties are commercial in nature, mostly businesses and office buildings.

14. What is the distance between the Premises proposed to be Licensed and the nearest:

- a) Residential dwelling unit: None in close proximity
- b) Church: .2 miles to Lighthouse Christian Center
- c) Hospital: .3 miles to PSU/St. Joe's Downtown
- d) Charitable institution: None in close proximity
- e) Playground: .9 miles to Iron Playground
- f) School: .4 miles to St. Peter's School
- g) PLCB licensed premises: 453 ft to Doubletree Hotel
.1 miles to Santander Arena
.2 miles to La Cabana lounge/nightclub

15. Has the Liquor License proposed to be transferred been the subject of another inter-municipal transfer within the past five (5) years? No

16. Identify all persons who, upon approval by the PLCB, will be in any way pecuniarily interested in the business which is the subject of the License proposed to be transferred:

Name	Address
Cesar Lopez Escolastico	160 Sandhurst Blvd, Blandon, PA 19510
Darelyn Abreuy-Lopez	160 Sandhurst Blvd, Blandon, PA 19510
_____	_____
_____	_____
_____	_____

17. Identify the person who, upon approval by the PLCB, will be the Manager of the Licensed Premises:

Name: Cesar Lopez Escolastico

Address: 160 Sandhurst Blvd, Blandon, PA 19510

Phone: (347) 664-2380

Fax: _____ Email: cesar.lopez0621@gmail.com

18. Specifically describe the nature and character of the proposed Licensed establishment and business operation to be conducted pursuant to the License proposed to be transferred: A fine dining restaurant serving Latin and International cuisine that provides dine-in, take-out and delivery services.

19. Specifically describe the types of food and beverages to be served and the anticipated ratio that the total sales of food and non-alcoholic beverages will bear to the total sales of food and alcoholic beverages and the price range to be charged (Attach a proposed menu or a comparable menu as an example): See attached menus.

20. Specifically describe the age level range of patrons you will be trying to primarily attract to the proposed Licensed establishment: 21 and older, but also welcoming families.

21. Provide a description of the intended use of the property and/or facility below. Include the following information:

- | | |
|--|--|
| a) Hours of Operation: | 7:00 am – 12:00 am |
| b) Live Music or Entertainment: | Classical music, jazz, piano |
| c) Dancing: | None |
| d) Billiards, darts, video games: | None |
| e) Outside facilities including bar, restaurant, athletic or entertainment areas | Outdoor patio |
| f) Describe outside facility areas | Patio is located at the rear of the Premises but is only accessible through the main front door of the Premises. |

22. In conjunction with your application to the PLCB for the transfer of the License, is it your intention to also apply for:

- | | |
|---------------------------------|-----|
| a) Sunday Sales Permit? | Yes |
| b) Extended Hours Food License? | No |
| c) Amusement Permit? | Yes |

23. Specifically describe any form or forms of entertainment proposed to be presented at the proposed Licensed establishment: Classical music, jazz, piano

24. Does the Applicant or any officer, director, stockholder, manager, partner or member of the Applicant own or possess any pecuniary interest in any other business which is operated pursuant to a license from the PLCB? If so, explain: No.

25. Has the Applicant and/or the owners, equity owners, directors and/or officers of the Applicant ever been convicted of, and/or received citations for any violations of the PA Liquor Code, the PA Controlled Substance, Drug, Devise & Cosmetic Act, and/or any provisions of the PA Criminal Code? If yes, please provide details including the nature of the violation, the Statute, Violation, Agency and Fine and/or Punishment: No.

26. Has the Applicant or any officer, director, stockholder, manager, partner or member of the Applicant ever owned or possessed any pecuniary interest in any other business which was operated pursuant to a license from the PLCB which was revoked or suspended by the PLCB? If so, explain: No.

27. Has the Applicant or any officer, director, stockholder, manager, partner or member of the Applicant ever been convicted of a felony or misdemeanor? If so, explain: No.

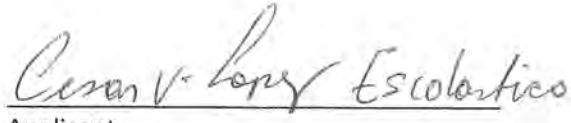
I do hereby certify that the information submitted in this application is true and correct. I acknowledge that submission of false or inaccurate information may result in the revocation of the liquor license by the Commonwealth and the rejection of the application and/or the rejection of any and all approvals by the City of Reading. I further acknowledge that the presentation of false information may result in possible arrest, fines, and imprisonment.

Witness:



Matthew M. Mayer

Print Name



Applicant

Cesar V. Lopez Escolastico

Print Name

Non-Refundable Filing Fee (Required with application)	\$1,000	Date Paid:
Refundable Escrow Account (Required with application)	\$1,000	Date Paid:

APPLICATION FEES FOR INTER-MUNICIPAL TRANSFERS OF LIQUOR LICENSES

Payable upon Application: Non-Refundable Filing Fee	\$1,000
Refundable Escrow Account	\$1,000

ESCROW: Escrow Deposit is to cover the cost of publishing required notices and all other expenses incurred by the City incidental to the Application and hearing, including but not limited to the cost of any legal, engineering or other professional services provided to the City. In the event these costs deplete the escrow fund in excess of 80% of its original amount and costs seem to indicate that additional deposits will be required, the City reserves the right to require additional escrow deposit up to the original escrow amount. This additional escrow amount shall be paid prior to mailing of final decision. If the expenses do not exceed the escrow deposit or any additional deposit, the balance will be remitted to the Applicant.

Supplemental Sheet to City of Reading Inter-Municipal Transfer of Liquor License Application

List of Properties within 300 Feet

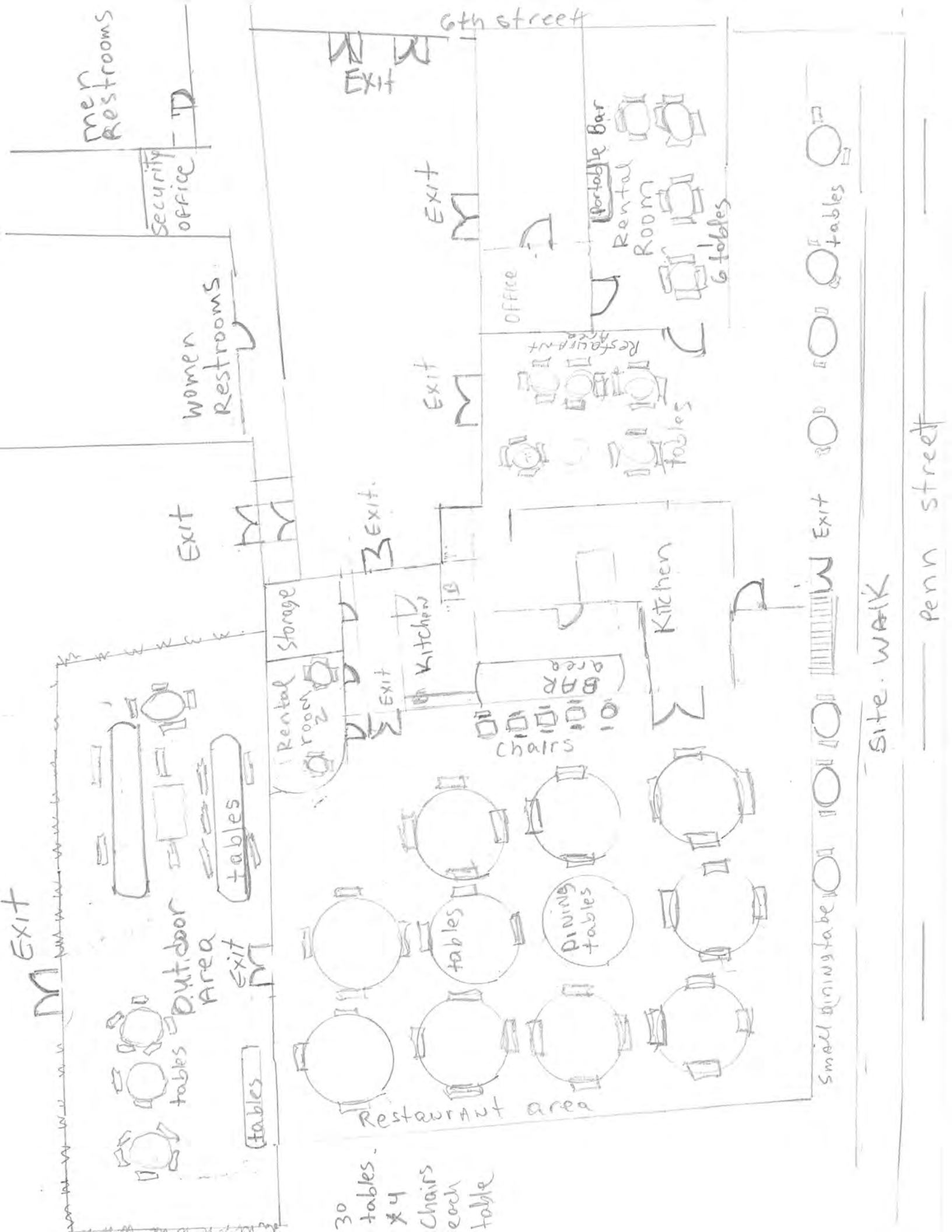
- 601 Penn Street (07530783805330), Berks County Bank/Sovereign Bank, P.O. Box 14115, Reading, PA 19612
- 645 Penn Street (07530784807391), Acme Structure II, LP 50 N. 5th Street, Reading, PA 19601
- 544 Penn Street (04530783803036) ZP No 123 LP, P.O. Box 1610, Cockeysville Hunt Va, MD 21030
- 540 Penn Street (04530783802097), Petrakis Family Partners 2, LLC, 407 Merrick Road, Seaford, NY 11783
- 549 Penn Street (07530783803430), Home Elite Ltd/5P LP/Lafayette Ventures Partners, LP/6th/Penn LP, 491 York Road, Suite 200, Jenkintown, PA 19046

PLCB Licenses in Safekeeping in the City of Reading

- 3 Rivers Beer, LLC, License No. R7863, LID 106938 – Did not pursue this License because applicant was not aware of this License. *Applicant called and they are not selling.*
- DN Bingo, Inc., License No. E1504, LID 65079 – Did not pursue this License because it is not a Restaurant License
- 724 Bar & Lounge, License No. R13909, LID 71404 - Did not pursue this License because applicant was not aware of this License. *Applicant called and they are not selling.*

List of Premises within 200 Fee with a PLCB License

- None



LEASE

LEASE AGREEMENT dated this 23rd day of May, 20 22,
between 600 Penn Street, L.P., ("Landlord") and Dorelyn Abram ("Tenant").

The parties, INTENDING TO BE LEGALLY BOUND, agree:

ARTICLE 1

1. INTERPRETATION

1.1 **Definitions.** The following terms shall have the following meanings:

Base Rent. The sum of see exhibit "C", payable during each Term of this Lease. The Base Rent is payable in equal monthly installments in advance, on the first day of each calendar month during the Term, as set forth in more particularity in Section 6.1. The monthly Base Rent payment shall be see exhibit "C" during the Term.

Building. The improvements generally known as 600 Penn Street, Reading, Berks County, Pennsylvania 19601.

Business Day. Any day other than a Saturday or Sunday on which commercial banks in Berks County, Pennsylvania, are open for the transaction of banking business.

Commencement Date. The 1st day of July, 20 22.

Event of Default. Any Event specified in Section 8.2, provided that any requirement for notice of lapse of time or any other condition has been satisfied.

Initial Term. The period of time commencing on the Commencement Date and ending on June 30th, 2032.

Landlord. 600 Penn Street, L.P., a Pennsylvania Limited Partnership.

Lease. This Lease Agreement.

Premises. A portion of the 1st floor of the Building, containing 6494 square feet more or less. A more detailed description of the Premises is attached hereto as Exhibit "A".

Rent. The sum of the Base Rent plus all other payments owed to the Landlord from the Tenant pursuant to the Terms of this Lease.

Security Deposit. The sum of \$5,000.00 U.S. Dollars.

Tenant. Skylight Cuisine & Bar.

Tenant's Business. Tenant's primary business activity, consisting of restaurant.

Notwithstanding the foregoing, in no event shall the Leased Premises be used in whole or in part as a residential rental property; as a private or commercial golf course; as a country club; as a massage parlor; hot tub facility or sun tan facility; as a race track or other facility used for gambling; as a store the principal business of which is the sale of alcoholic beverages for consumption off-premises; as an adult book store; nightclub or discotheque; as a massage parlor, or any other establishment which provides live adult entertainment or which sells, rents or exhibits pornographic or obscene materials; as an abortion clinic; as a bingo parlor; as an off-track betting business (except that the sale of state lottery tickets is not prohibited or restricted); as a billiard or pool hall, or bowling alley; as an adult or nude dance club or similar facility; as a "second hand" store; as a movie theater or carnival; as a flea market; as a pawn shop; as a store selling fire arms or ammunition; as a car wash; as a tire store or vehicle sales and service facility with service bays; or for any use which would violate the applicable zoning ordinance or other applicable law.

Term. . The Initial Term and any period during which this Lease is renewed pursuant to Section 2.2 or as otherwise agreed between the parties.

Termination Date. Termination Date shall mean the sooner of the following:

(a) The expiration of the Term.

(b) The occurrence of a termination of this Lease pursuant to any term or provision of this Lease or by virtue of any applicable law.

1.2 **Headings.** The article, subsection, paragraph and other headings in this Lease are for reference purposes only and shall not control or affect the interpretation of this Lease in any respect.

1.3 **Section References.** All references in this Lease to particular articles, sections, subsections and paragraphs are references to portions of this Lease, unless those references expressly refer to other documents.

1.4 **Governing Law.** This Lease shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

ARTICLE 2

2.1 **Lease.** Subject to the terms and conditions of this Lease, the Landlord shall lease to the Tenant the Premises for the Term.

2.2 **Renewal.** This Lease shall automatically renew upon the expiration of the Initial Term, and expiration of any renewal term, unless timely notice of non-renewal is given. If the lease automatically renews in accordance with this section, the term from the renewal shall be one (1) year ("Renewal Term"). The rent during a Renewal Term shall be equal to one hundred three percent (103%) of the rent for the year preceding the renewal and shall be paid in equal monthly installments in advance for each month of the Renewal Term. (If the Initial Term is for less than one (1) year, rent payable during that term will be divided by the number of days in the term, and the result multiplied by three hundred sixty five

(365), and then multiplied by 1.03, in order to ascertain the annual rent for the first Renewal Term.)

(a) Notice of Non-Renewal by Tenant

Tenant may avoid automatic renewal of the lease at the conclusion of the then current term by notice given to Landlord in accordance with the terms of this lease governing notice (if any). In order for such notice to be effective, Tenant must deliver such notice no earlier than one hundred eighty days (180) days prior to expiration of the then current term, and no less than ninety (90) days prior to expiration of the then current term. Such notice must be clear, unequivocal, and in writing.

(b) Notice of Non-Renewal by Landlord

Landlord may avoid automatic renewal of the lease at the conclusion of the then current term by notice given to Tenant in accordance with the terms on this lease governing notice (if any). In order for such notice to be effective, Landlord must deliver such notice no earlier than one hundred eighty (180) days prior to expiration of the then current term, and no less than ninety (90) days prior to the expiration of the then current term. Such notice must be clear, unequivocal, and in writing.

(c) Holdover

In the event either Landlord or Tenant has given timely notice of non-renewal, and Tenant remains in possession of the Premises past expiration of the term, Tenant shall be deemed to be in holdover.

(d) Tenant's Obligations During Renewal or Holdover

During any renewal or holdover, all obligations of Tenant under Lease shall continue in full force and effect. In the event of holdover, Tenant shall be required to pay to Landlord, on the same schedule as imposed for monthly installments of rent prior to the holdover, an amount each month ("holdover payment") equal to one hundred fifty percent (150%) of the monthly installments called for by the Lease for the term immediately prior to the holdover.

- (e) Landlord's Obligations During Renewal or Holdover
Landlord shall bear all of the same ongoing obligations during renewal as are owned under the Lease during the Initial Term. Provided, that the obligations of Landlord during renewal are limited to those ongoing obligations under the Lease, and specifically excludes obligations Landlord undertakes and discharges in connection with the inception of the Lease, such as any agreement to construct improvements, or reimburse Tenant for improvements. In the event of holdover, Landlord shall be freed from any and all obligations to tenant described in the Lease. In the event of holdover, Landlord shall be entitled to elect at any time to:
- (i) Treat the holdover payments as liquidating damages for Tenant's wrongful retention of possession after non-renewal;
 - (ii) Accept the holdover payments and apply such payments to Landlord's damages for Tenant's holdover, without prejudice to Landlord's right to recover the balance of such damages; or
 - (iii) Treat the holdover payments as rent, and the Tenant's holdover as an enforceable commitment for a one year holdover, subject to Landlord's right to terminate such term immediately upon notice to Tenant.

In the event of holdover, Landlord shall also be entitled to exercise any and all remedies awarded to Landlord under the terms of the Lease for breach of the Lease, including but not limited to eviction, and recovery of all attorney's fees, court costs and related expenses not only from litigation or disputes with Tenant, but also those from attorney's fees, costs, and expenses incurred in disputes or litigation with others resulting from or related to the holdover, all in addition to any damages described above.

ARTICLE 3 - LANDLORD'S REPRESENTATIONS AND WARRANTIES

The Landlord, whether personally or by any agent or representative, has made and makes no other representations or

warranties except those expressly set forth in this Lease. To induce the Tenant to enter into this Lease, the Landlord represents and warrants to the Tenant that:

3.1 **Title, Right to Lease.** The Landlord has good and marketable title to the Premises, or has the right to lease the Premises for the Term pursuant to a valid and binding agreement.

3.2 **Bankruptcy.** The Landlord does not intend to file any petition in bankruptcy or to make any assignment for the benefit of creditors and does not anticipate that any person will file an involuntary petition in bankruptcy with regard to the Landlord.

3.3 **Enforceable Obligation.** This Lease is a valid, binding and enforceable obligation of the Landlord.

3.4 **Materiality.** The representations and warranties in Sections 3.1 through 3.3 are true and correct in all material respects, and do not contain any untrue statement of material fact or fail to state any material fact necessary to make the statements contained therein not misleading.

ARTICLE 4 - TENANT'S REPRESENTATIONS AND WARRANTIES

To induce the Landlord to enter into this Lease, the Tenant represents and warrants to the Landlord that:

4.1 **Litigation.** To the best of the Tenant's knowledge, information and belief:

(a) The Tenant is not involved in any actions, proceedings or investigations which might result in any material adverse change in the financial condition of the Tenant, or affect the Tenant's ability to perform its obligations under this Lease, nor is any such action, proceeding, or investigation threatened.

(b) There are no material outstanding orders, decrees or stipulations affecting the Tenant.

4.2 **Violations, Breaches.** To the best of the Tenant's knowledge, information and belief:

(a) The Tenant is not in violation of, and the Tenant's execution, delivery and performance of this Lease will not result in any violation of, or be in conflict with any provision of, any charter, code, judgment, decree, statute, ruling, regulation, agreement or instrument applicable to the Tenant, or to which the Tenant is a party, and

(b) There is no such provision which materially adversely affects, or in the future may, in so far as the Tenant can now foresee, materially adversely affect the Tenant's business, or prospects, or condition, financial or otherwise, or any of the Tenant's assets.

4.3 **Brokers.**

(a) The negotiations with regard to this Lease have been carried out directly between the Landlord and/or the realty company engaged by Landlord, and the Tenant.

(b) The Tenant has not been and is not represented by any broker in connection with this Lease or the Premises, however, the tenant has been notified of his right to engage tenants own realtor in negotiating this lease.

4.4 **Enforceable Obligation.** This Lease is a valid, binding and enforceable obligation of the Tenant.

4.5 **Inspection.** The Tenant has inspected the Premises and is fully aware of its condition.

4.6 **Bankruptcy.** The Tenant does not intend to file any petition of bankruptcy, or to make any assignment for the benefit of creditors, and does not anticipate that any person will file an involuntary petition in bankruptcy with regard to the Tenant.

4.7 **Security Deposit.** The Tenant shall pay to the Landlord the Security Deposit as defined in Section 1.1 hereof, as security for the Tenant's performance of its covenants under the Lease.

4.8 **Form of Entity.** The Tenant is a duly formed and validly existing _____ authorized to do business in the Commonwealth of Pennsylvania.

4.9 **Authorization.** All appropriate and necessary steps have been taken by Tenant to authorize the Tenant to enter into and comply with the terms of this Lease.

4.10 **Materiality.** The representations and warranties in Sections 4.1 through 4.9 are true and correct in all material respects, and do not contain any untrue statement of material fact or fail to state any material fact necessary to make the statements contained therein not misleading.

ARTICLE 5 - LANDLORD'S COVENANTS

On and after the Commencement Date through and including the termination date:

5.1 **Quiet Enjoyment.** The Landlord agrees that if the Tenant shall pay the Rent as provided in this Lease and perform the covenants contained in this Lease, the Tenant shall peaceably hold and enjoy the Premises without hindrance or interruption by the Landlord or by any other person or persons.

ARTICLE 6 - TENANT'S COVENANTS

On and after the Commencement Date through and including the Termination Date:

6.1 **Base Rent.**

(a) The Tenant agrees to pay the Base Rent in equal monthly installments in advance, on or before the first day of this Lease, and thereafter on or before the first day of each calendar month during the Term. Base Rent for any portion of a month shall be prorated on a daily basis; provided, however, that the foregoing authorizes payment of less than a full monthly installment of Base Rent, if and only if this Lease commences other than on the first day of the calendar month and then only with respect to the first monthly payment of Base Rent.

(b) Tenant shall pay the Base Rent by check to Landlord at the address Landlord shall from time to time specify, and such Base Rent shall be paid without demand and without

deduction or counterclaim. If Landlord shall at any time or times accept the Base Rent after it shall become due and payable, such acceptance shall not excuse delay upon subsequent occasions, or constitute, or be construed as, a waiver of any or all of Landlord's rights hereunder, including specifically and without limitation the right of the Landlord to declare such late payment of such Base Rent a default.

(c) The Tenant shall pay the Base Rent and all other Rent without deduction or setoff.

6.2 . **Operating Costs.** Tenant shall be liable in addition to Base Rent and any other Rent, to pay \$ **1000.00** monthly in advance on the first day of the Term and on the first day of each calendar month thereafter. This payment shall be known as the Estimated Operating Cost , and shall be applied to pay Tenant's share of the following expenses incurred by Landlord (including but not limited to those incurred by or through Landlord's managers or other agents): electricity, water and sewer, real estate taxes, Downtown Improvement District assessments, maintenance, cleaning (excluding maintenance and cleaning separately paid for by Tenant under the terms of this lease), snow removal, trash removal, insurance, plant care, legal fees, codes compliance expense, common area repair and upkeep, and administrative costs (hereinafter collectively "Operating Costs"). Tenant's share of Operating Costs, which Tenant shall be liable to pay to Landlord, shall be deemed equal to the amount of Tenant's Estimated Operating Cost as described hereinabove.

Option 1 - be deemed equal to the amount of Tenant's Estimated Operating Cost as described hereinabove

Option 2 - be a dollar amount that bears the same proportion to the total expenses aforesaid incurred for the entire building and attached realty, as the square footage of the Premises as described in Section 1.1, bears to 100,000 square feet ("Tenant's Share of Operating Costs"). Landlord may from time to time revise the Estimated Operating Costs and give notice of same to Tenant. Such notice shall specify the new Estimated Operating Costs to be paid monthly by Tenant, shall

specify the actual amount paid by Tenant for the period since the last revision, and shall specify the Tenant's Share of Operating Costs for such period. Tenant shall be liable to pay to Landlord within fifteen (15) days of such notice any excess of Tenant's Share of Operating Costs over the amount paid by Tenant in Estimated Operating Costs for the same period, and shall be entitled to credit for any deficiency against future payments of Estimated Operating Costs until such credit shall be exhausted. Upon issuance of such notice, Landlord may change the amount to be paid monthly in advance under this Section 6.2 as an Estimated Operating Costs, based on Landlord's calculations contained in the notice. Absent manifest or acknowledged error, Landlord's calculations and figures regarding Operating Costs, and regarding Estimated Operating Costs, shall be conclusive with respect to all matters described therein.

6.3 Use. The Tenant shall use the Premises only for the Tenant's Business as set forth in Section 1.1 and for no other purpose. Tenant shall actively use and occupy the Premises solely in accordance with the use permitted under applicable zoning regulations. Tenant will not use or occupy the Premises for any unlawful purpose, administrative, civil or criminal, and will comply with all applicable present and future laws, ordinances, regulations, and orders of any governmental authority having jurisdiction over the Premises. Tenant shall observe and comply with the reasonable rules and regulations promulgated by Landlord from time to time. Such Rules and Regulations shall apply to Tenant and its employees, agents, licensees, subtenants and contractors. Tenant shall not interfere with the use and enjoyment by others, of the Building.

6.4 Possession. Tenant agrees that possession of the Premises is to be delivered to Tenant in an "as is" condition, on and effective as of the date of this Lease. Tenant acknowledges that it has had the opportunity to inspect the Premises to determine that the Premises are satisfactory in their existing condition for Tenant's intended use.

6.5 **Tenant's Improvements.** Tenant agrees to indemnify and hold Landlord free, clear and harmless from and against any liability, damages, claims or demands of any kind whatsoever arising out of the purchase, installation or use of the equipment and materials purchased and installed by Tenant on the Premises, including reasonable attorney's fees.

6.6 **Compliance.** The Tenant shall not conduct any trade or occupation on the Premises or make any use of the Premises which shall be in violation of any Federal, state or local law, ordinance or regulation.

6.7 **Fire Insurance.** The Tenant shall not permit any use of the Premises which shall make voidable any insurance on the property of which the Premises are a part, or on the contents of the property or which shall be rated as a more hazardous risk than those uses of the Premises existing on the Commencement Date.

6.8 **Maintenance.** The Tenant agrees to maintain the Premises and all parts, including but not limited to all fixtures, plumbing, electrical, and HVAC components contained therein, in good condition, and whenever necessary, to replace plate glass and other glass on the Premises, and all parts acknowledging that the Premises are now in good order and the glass whole. The Tenant shall not permit the Premises to be overloaded, damaged, stripped or defaced, or suffer any waste. Tenant will keep the Premises and the fixtures and equipment therein clean, safe and in sanitary condition, will take good care thereof, will suffer no waste or injury thereto, and will, at the expiration or other termination of the Term of this Lease, surrender the same, broom clean, in the same order and condition in which they are on the commencement of the term of this Lease, ordinary wear and tear and damage by the elements, fire and other casualty not due to the negligence of Tenant, excepted; and upon such termination of this Lease, Landlord shall have the right to re-enter and resume possession of the Premises.

6.9 **Janitorial Services.** The Tenant will provide trash removal and janitorial services for the Premises, if Landlord does not.

6.10 **Signs.** The Tenant shall obtain the written consent of the Landlord before erecting any sign on, or visible from, the exterior of the Premises.

6.11 **Alterations/Additions.**

(a) The Tenant shall not make structural alterations or additions to the Premises, but may make non-structural alterations provided the Landlord consents in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at the Tenant's expense and shall be in quality at least equal to the present construction. Tenant shall not permit any mechanics liens, or similar liens, to be asserted, claimed, or noticed against the Premises for labor or material furnished to Tenant or claimed to have been furnished to Tenant, and shall cause any such lien to be released of record forthwith without cost to the Landlord. Any alterations or improvements made by the Tenant shall, at the sole option of Landlord, either be removed by Tenant at the Termination Date, or become the property of the Landlord at the Termination Date. If Landlord shall not exercise such option in writing at least thirty (30) days prior to expiration of the Term, such alterations and improvements shall remain and become the property of Landlord.

(b) If any such alteration, decoration, addition or improvement is made without the prior written consent of Landlord, Landlord may correct or remove the same, and Tenant shall be liable for any and all expenses incurred by Landlord in the performance of this work. All alterations, decorations, additions or improvements in or to the Premises or the building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as part thereof at the end of the Term hereof without disturbance, molestation or injury. Except as provided in this Lease, Tenant will not make or permit anyone to make any alterations, decorations, additions or improvements, structural or otherwise, in and to the Premises, without the prior written consent of Landlord.

(c) Tenant agrees to obtain and deliver to Landlord written and unconditional waivers of mechanic's liens upon the real property of which the Premises is a part, for all work, labor and services to be performed and materials to be furnished by them in connection with such work, signed by all contractors, subcontractors, materialmen and laborers to become involved in such work.

(d) If notwithstanding the foregoing, any mechanic's lien is filed against the Premises, or real property of which the Premises are a part, for work claimed to have been done or for materials claimed to have been furnished to Tenant, such mechanic's lien shall be discharged by Tenant within ten (10) days thereafter, at Tenant's sole expense, by the payment thereof or by filing any bond required by law. If Tenant shall fail to discharge any such mechanic's lien, Landlord may, at its option, discharge the same and treat the cost thereof as additional rent payable with the monthly installment of Rent next becoming due; it being hereby expressly covenanted and agreed that such discharge by Landlord shall not be deemed to waive or release the default of Tenant in not discharging the same. Tenant agrees to indemnify and hold Landlord harmless from and against any and all expenses, liens, claims or damages to persons or property which may or might arise by reason of the making of any such alterations, decorations, additions or improvements.

6.12 Assignment and Subletting. Tenant shall not assign, transfer, mortgage or encumber this Lease without the prior written consent of Landlord; no assignment or transfer of this Lease shall be effectuated by operation of law or otherwise without the prior consent of Landlord. The consent by Landlord to any assignment, transfer, or subletting to any party other than Tenant, shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease, nor shall the collection or acceptance of rent from any such assignee, transferee, subtenant or occupant constitute a waiver or release of Tenant of any covenant or obligation contained in this Lease. Tenant hereby assigns to Landlord the rent due from any assignee or sub-tenant of Tenant and hereby authorizes each assignee and each sub-tenant to pay the rent directly to Landlord.

6.13 Landlord's Access.

(a) The Tenant agrees to allow the Landlord or agents of the Landlord, at reasonable times, to enter and view the Premises and make repairs and alterations as the Landlord shall elect, and to show the Premises to others. Tenant agrees to allow the Landlord or agents of the Landlord, at any time, to affix to the Premises a notice of availability for sale or rental of the Premises or property of which the Premises are a part.

(b) The Tenant agrees to provide the Landlord with a copy of all keys to the Premises without request. Should the Tenant change any lock on the Premises, the Tenant agrees to immediately provide the Landlord with a copy of any new key without request, or within twenty-four (24) hours upon request. In the event Tenant shall not provide Landlord with a copy of any new key as provided above, Landlord shall be permitted and shall have the right to enter the Premises by any means whatsoever, including forcible entry, and to cause the locks to be changed and, provided no event of default currently exists hereunder, shall within a reasonable time thereafter provide Tenant, who shall be liable to pay on demand all expense associated with the entry and lock change a copy of the new key or keys.

6.14 Liability Insurance. Tenant, at all times during the Lease Term and at Tenant's expense, shall provide and keep in force with insurers approved by Landlord which approval shall not be unreasonably withheld: (a) insurance with respect to the improvements against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending strike, civil commotion, aircraft, vehicles, earth movement, sinkholes, smoke and other risks from time to time included under "extended coverage" policies, in an amount equal to at least 100% of the full replacement value of the Premises (calculated as a square footage based percentage of the replacement value of the Building), and in any event in an amount sufficient to prevent Landlord or Tenant from becoming a coinsurer of any loss under applicable policies, which shall be written on a replacement cost basis; (b) public liability and property damage insurance protecting Landlord against any and all liability occasioned by negligence, occurrence, accident or

disaster in or about the Premises or any part thereof, or the improvements now or hereafter erected thereon, or adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, or any appurtenances thereto, in amounts approved from time to time by Landlord, which amounts at the date hereof shall be, in the case of public liability, One Million and 00/100 Dollars (\$1,000,000.00) per person and Three Million and 00/100 Dollars (\$3,000,000.00) per accident, and in the case of property damage, Five Hundred Thousand and 00/100 Dollars (\$500,000.00); (c) explosion insurance in respect of any steam and pressure boilers and similar apparatus located on the Premises in an amount approved by Landlord, which amount at the date hereof shall be Five Hundred Thousand and 00/100 Dollars (\$500,000.00); (d) appropriate workmen's compensation or other insurance against liability arising from claims of workmen in respect of and during the period of any work on or about the Premises; (e) if the Premises are located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area, flood insurance in an amount at least equal to the maximum limit of coverage available for the Premises under the National Flood Insurance Act of 1968.

All insurance maintained by Tenant pursuant to this Article 6.14: (a) shall, except for workmen's compensation insurance, name and shall include an effective waiver by the issuer of all rights of subrogation against any named insured or such insured's interest in the Premises or any income derived therefrom; (b) may provide that all insurance claims for losses of less than Ten Thousand and 00/100 Dollars (\$10,000.00) shall be adjusted by Tenant, and must provide that all insurance claims for losses of such amount or more, except for workmen's compensation insurance (which shall be adjusted by Tenant), shall be adjusted by Landlord; (c) shall provide, except in the case of public liability and workmen's compensation insurance, that insurance proceeds shall be payable to Landlord for the benefit of Landlord and Tenant, as their respective interests may appear; (d) shall provide that any losses shall be payable notwithstanding an act or failure to act or negligence of Landlord or Tenant or any other person; (e) shall provide that no cancellation, reduction in amount or material change in coverage thereof shall be effective until at least ten (10) days after receipt by

Landlord and Tenant of written notice thereof; and (f) shall be satisfactory in all other respects to Landlord acting reasonably. Any such insurance, at Tenant's option, may be provided through a blanket policy or policies in form satisfactory to Landlord, provided such policies shall provide in a manner satisfactory to Landlord for specific allocation to the Premises of the coverage afforded by such blanket policy or policies, and provided further that such blanket policy or policies give to Landlord no less protection than that which would be afforded by separate policies.

Upon the execution of this Lease and thereafter not less than fifteen (15) days prior to the expiration date of any policy delivered pursuant to this Article 6.14, Tenant shall deliver to Landlord the originals of all policies or renewal policies, as the case may be, required by this Lease, bearing notations evidencing the payment of the premiums therefore. In lieu of any such policies, Tenant may deliver certificates of the insurer, satisfactory to Landlord in form and substance, as to the issuance and effectiveness of such policies and the amounts of coverage afforded thereby, accompanied by copies of such policies.

If at any time Tenant shall neglect or fail to provide or maintain insurance or to deliver insurance policies in accordance with this Article 6.14, Landlord may effect such insurance as agent for Tenant by taking out policies in a companies selected by Landlord, and the amount of the premiums paid for such insurance shall be paid by Tenant to Landlord on demand. Landlord, in addition to Landlord's other rights and remedies, shall be entitled to recover as damages for any breach of this Article 6.14 the uninsured amount of any loss, liability, damage, claim, costs and expenses suffered or incurred by Landlord, and shall not be limited in the proof of damages to the amount of the insurance premiums not paid by Tenant for such insurance.

6.15 Plate Glass Breakage Insurance. Tenant, at all times during the Lease Term and at Tenant's expense, shall provide and keep in force with an insurer approved by Landlord which approval shall not be unreasonably withheld, breakage insurance covering any plate glass on the Premises, or self insure all plate glass.

6.16 Surrender. Tenant shall on the Termination Date remove all of Tenant's goods, effects and equipment from the Premises,

(including, without limitation, all signs and lettering affixed or painted by the Tenant, either inside or outside of the Premises) except as otherwise provided in Section 6.11. Tenant shall deliver to the Landlord the Premises and all keys, locks and other fixtures connected with the Premises and all alterations and additions made to or upon the Premises, in good order and condition, damage by fire or other casualty and ordinary wear and tear excepted. In the event of the Tenant's failure to remove any of the Tenant's property from the Premises, the Landlord is hereby authorized, without liability to the Tenant for loss or damage, and at the sole risk of Tenant to remove and store any of the property at Tenant's expense, or to retain the property under Landlord's control or to sell at public or private sale, without notice, any or all of the property not so removed and to apply the net proceeds of such sale to the payment of any sums due under this Lease, or to destroy such property.

6.17 Indemnification. Tenant shall indemnify and hold Landlord harmless from and against any and all claims, actions, damages, liability and expense (including without limitation fees of attorneys) in connection with loss of life, personal injury or damage to property caused to any person in or about the Premises or arising out of the occupancy or use by Tenant of the Premises or caused wholly or in part by any act or omission of Tenant, its agents, contractors, employees, licensees or invitees; unless such loss, injury or damage was caused by the gross negligence or recklessness of Landlord.

6.18 Compliance with Public Authorities. Tenant shall during the Term hereby granted comply with all statutes, ordinances, rules, orders, regulations or requirements of the federal, state and city governments and of any and all of their departments and bureaus for the correction, prevention and abatement of nuisances, or other grievances, in or upon the Premises, which must be complied with by reason of the nature of the use of the Premises by Tenant, and shall also comply with and execute all rules, orders, and regulations issued or made by the Board of Fire Underwriters for the prevention of fires, which must be complied with by reason of the nature of the use of the Premises by the Tenant, but not otherwise. If structural repairs are necessary, it is understood and agreed that such structural repair shall be Tenant's responsibility at its own expense if same shall be necessary to comply with the aforesaid statutes, ordinances, rules, orders,

regulations or requirements, unless such structural repairs are necessitated by Landlord's negligence.

6.19 **Taxes.** Tenant agrees to pay to the local tax authorities and other governmental agencies, throughout the term of this Lease, all real property taxes and all personal property taxes which may be levied against Tenant's merchandise, trade fixtures and other personal property in and about the Premises.

ARTICLE 7 - EMINENT DOMAIN AND LIABILITY

7.1 **Fire, Eminent Domain.** Should a substantial portion of the Premises, or of the property of which it is a part, be substantially damaged by fire or other casualty, or be taken by eminent domain, the Landlord may elect to terminate this Lease. When such fire, casualty, or taking renders the Premises substantially unsuitable for their intended use, a just and proportion of abatement of rent shall be made, and the Tenant may elect to terminate this Lease if:

(a) The Landlord fails to give written notice within thirty (30) days of intention to restore the Premises, or

(b) The Landlord fails to restore the Premises to a condition substantially suitable for their intended use within ninety (90) days of said fire, casualty or taking.

The Landlord reserves, and the Tenant grants to the Landlord, all rights which the Tenant may have for damages or injury to the Premises for any taking by eminent domain, except for damage to the Tenant's fixtures, property or equipment.

7.2 Exclusion of Liability.

(a) Landlord or their agents shall not be liable for any injury or damage to persons or property resulting from steam, gas, electricity, water, rain or snow or leaks from any part of the building, or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever

nature unless caused by or due to the acts, omissions or negligence of Landlord, its agents, servants or employees; nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the building or caused by any of their operations in construction or any public or quasi-public work.

(b) Tenant or its agents shall not be liable for any injury or damage to persons or property resulting from or caused by the negligence of Landlord.

7.3 **Liability for Damage to Personal Property and Person.** Landlord shall not be liable for any accident or damage caused by electric lights or wires or any accident or damage which may occur through the operation of elevators, heating, lighting or plumbing apparatus, or any accident or injury occurring in connection with business of Tenant on the Premises and its services unless caused by the negligence of Landlord. Landlord will not be liable for loss of or damage to property of Tenant caused by rain, snow, water or steam that may leak into or flow from any part of said building, through any defects in the roof or plumbing or from any other source, including but not limited to acts or omissions on the part of other tenants of the Premises or persons using the Premises or present therein not resulting from acts of negligence on the part of Landlord. All goods, property or personal effects stored or placed by Tenant in or about the building shall be at the risk of Tenant unless the loss is caused by the negligence of Landlord. It is understood and agreed that Tenant covenants to save Landlord harmless and indemnified from all loss, damage, liability or expense incurred by reason of Tenant's neglect in its use of the Premises or of said building or any part thereof, including the use of the water, steam, electronic or other systems and the injury, loss, or damage to any person or property upon or about the Premises.

ARTICLE 8 - EVENTS OF DEFAULT; REMEDIES

8.1 **Landlord's Events of Default.** The following shall constitute Events of Default by the Landlord under this Lease, if same shall remain uncured thirty (30) days after notice of same to Landlord by Tenant:

(a) Representations, warranties. Any representation or warranty made by the Landlord in this Lease shall prove to be knowingly false or misleading in any material respect as of the date when made.

(b) Covenants. Failure by the Landlord to observe any of the Landlord's covenants set forth in this Lease.

8.2 Tenant's Events of Default. The following shall constitute Events of Default by the Tenant under this Lease, if same remain uncured for ten (10) days after notice to Tenant by Landlord, provided, that the matters described in subsections (a), (d), and (e) shall constitute Events of Default without any such notice or opportunity to cure:

(a) Payment. Failure by the Tenant to make any required payment under this Lease on or before the close of business on the due date of that payment.

(b) Representations, Warranties. Any representation or warranty made by the Tenant shall prove to be false or misleading in any material respect as of the date when made.

(c) Covenants. Failure by the Tenant to observe any of the Tenant's covenants terms or conditions set forth in this Lease.

(d) Voluntary Bankruptcy. The filing of any voluntary petition in bankruptcy or a voluntary petition or answer seeking reorganization, arrangement or readjustment of the Tenant's debts or for any other relief under the Bankruptcy Code, or under any other existing or future federal, state insolvency act or law, or the Tenant's making of an assignment for the benefit of creditors.

(e) Involuntary Bankruptcy. The filing of any involuntary petition against the Tenant in bankruptcy or seeking reorganization, arrangement or readjustment of the Tenant's debts or for any other relief under the Bankruptcy Code, or under any other existing or future federal or state insolvency act or law, or the involuntary appointment of a receiver of trustee of the Tenant or for all or a substantial part of the Tenant's property, and the continuance of any such

events for a period of ninety (90) days undismissed, unbonded or discharged.

8.3 **Tenant's Remedies.** Upon the occurrence of an Event of Default described in Section 8.1 , and so long as the Event of Default shall continue uncured or unwaived, the Tenant may institute suit for monetary damages.

8.4 **Landlord's Remedies.**

(a) **In General.** Upon the occurrence of an Event of Default described in Section 8.2, and so long as the Event of Default shall continue uncured or unwaived, the Landlord may invoke any or all of the following remedies, in any order:

(1) Charge for late payment, five percent (5%) of any amount due and unpaid to Landlord pursuant to this Lease. In the event that such late payment is not made within thirty (30) days of the date due Landlord may charge late charges at the annual rate of eighteen percent (18%) on any and all unpaid amounts due pursuant to this Lease.

(2) Accelerate the whole or any part of the Rent for the entire balance of the Term, as well as all other charges, payments, costs and expenses agreed to be paid by the Tenant.

(3) Enter into and upon the Premises or any part thereof and repossess the Premises and expel the Tenant and those claiming under the Tenant and remove the Tenant's effects without being deemed to be guilty of any manner of trespass.

(4) Terminate the Lease.

(5) Bring an action at law to collect the Rent for the entire unexpired balance of the Term of this Lease, as well as all other charges, payments, costs and expenses agreed to be paid by the Tenant under this Lease, and also all costs and expenses incurred, including attorney's fees.

(6) Rent the Premises or any part or parts thereof to such person or persons for such term or terms (which may be for a term extending beyond the Term of this Lease).

(7) Undertake to fulfill any of Tenant's obligations, either through itself, or through Landlord's contractors, agents, employees or representatives, and charge to Tenant as Rent the cost thereof, which Rent shall be immediately due and payable; provided, however, that the provisions hereof shall not be construed as imposing any obligation upon Landlord to fulfill any of the obligations of Tenant.

(8) Exercise any and all other rights or remedies available at law or in equity, including without limitation the use of the warrants of attorney for confession of judgment for money, or ejectment, set forth herein and recover in any such action all attorneys' fees and ancillary expenses.

(b) Confession of Judgment for Money. Upon the occurrence of an event of default described in Section 8.2, the Tenant hereby irrevocably authorizes the Prothonotary or any attorney of any Court of record in Pennsylvania or elsewhere, to appear for and confess judgment against the Tenant for any and all amounts due hereunder, together with any other charges, costs and expenses for which Tenant is liable under this Lease, and together with attorneys' fees in the amount of fifteen percent (15%) of any or all of the foregoing (but in no event less than One Thousand and 00/100 Dollars (\$1,000.00)) and costs of suit, releasing all errors and waiving all rights of appeal. If a copy of this Lease Agreement, verified by Affidavit, shall have been filed in such proceeding, it shall not be necessary to file the original as a warrant of attorney. The Tenant hereby waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of this warrant and power to confess judgment shall be deemed to exhaust this power, whether or not any such exercise shall be held by any Court to be invalid, voidable, or void, but this power shall continue undiminished and may be exercised from time to time as often as the Landlord shall elect until

all sums due hereunder shall be paid in full. Interest shall continue to accrue after entry of judgment hereunder, by confession, default, or otherwise, at the higher of the rate of six percent (6%) or the judgment rate of interest under applicable law.

(c) Confession of Judgment in Ejectment. In addition to all other rights and remedies which the Landlord may have, Tenant agrees that Landlord may, upon the occurrence of an event of default, cause a judgment in ejectment (without any stay of execution of appeal) to be entered against the Tenant for possession of any portion of the Premises which may be occupied by them. At such time and for that purpose, the Tenant authorizes and empowers any Prothonotary or attorney of any court of record, without any liability on the part of said attorney, to appear for the Tenant and to confess judgment against the Tenant in ejectment (without any stay of execution of appeal) for possession of the Premises and agrees that the Landlord may commence an action pursuant to the Pennsylvania Rules of Civil Procedure for the entry of an order for possession of the Premises, and the Tenant further agrees that a writ of possession pursuant thereto may be entered forthwith, for which authorization to confess judgment, a copy of this Lease, shall be sufficient warrant. If, for any reason, after said action shall have been commenced, the action shall be terminated and possession of any portion of the Premises shall remain in, or be restored to, the Tenant, the Landlord shall have the right to commence successive actions for possession and to cause the entry of successive judgments for possession. No single exercise of the foregoing warrant shall be deemed to exhaust the power to confess judgment granted hereunder, whether or not any such action be held by any Court to be void, invalid or voidable, but the power shall continue undiminished and may be exercised from time to time as the Landlord shall deem necessary. The Tenant hereby waives and releases any errors and defects whatsoever in the entering of such action or judgment, or causing such writ of possession or other process to be issued, or in any proceeding thereon, or concerning the same, and hereby agrees that no writ of error or objection or exception shall be made or taken thereto.

ARTICLE 9 - MISCELLANEOUS

9.1 Attornment, Assignment and Subordination of Lease Agreement.

This Lease shall be subject and subordinate at all times to the lien of any superior lease or mortgage or deed of trust or other encumbrance, heretofore or hereafter placed by Landlord upon any or all of the Premises or the Building, the Land, the Property, or any interest therein and of all renewals, modifications, consolidations, replacements and extensions thereof (all of which are hereinafter referred to collectively as a "Mortgage"), all automatically and without the necessity of any further act on the part of Tenant to effectuate such subordination. Tenant shall, at the request of the holder of a Mortgage (the "Mortgagee"), upon foreclosure thereof attorn to the Mortgagee. Tenant shall also execute, acknowledge and deliver, within ten (10) days after Tenant's receipt of demand from Landlord or the Mortgagee such further instrument or instruments evidencing such subordination of Tenant's right, title and interest under this Lease to the lien of the Mortgage, and such further instrument or instruments of attornment, as shall be desired by the Mortgagee.

Notwithstanding the foregoing, any Mortgagee may at any time subordinate its Mortgage to this Lease, without the necessity of obtaining Tenant's consent, by giving notice of the same in writing to Tenant, and thereupon this Lease shall be deemed to be prior to such mortgage without regard to their respective dates of execution, delivery or recordation and/or the date of commencement of Tenant's possession, and in that event the Mortgagee shall have the same rights with respect to this Lease as though this Lease shall have been executed, delivered and recorded prior to the execution and delivery of the Mortgage. If any Mortgage shall be foreclosed, (A) the liability of the Mortgagee or purchaser at such foreclosure sale, or the liability of a subsequent owner designated as landlord under this Lease shall exist only so long as such Mortgagee or such subsequent owner, as the case may be, is the owner of the Property, and after further transfer of ownership, such Mortgagee or subsequent owner shall be released from any liability thereafter accruing; (B) the Mortgagee or such subsequent owner, as the case may be, and their respective successors or assigns that succeed to the interest of the

Landlord in the Building or the Land, or acquires the right to possession of the Property, or any portion thereof, shall not be (1) liable for any act or omission of the party named above as the Landlord under this Lease; (2) liable for the performance of Landlord's covenants pursuant to the provisions of this Lease which arise and accrue prior to such entity succeeding to the interest of Landlord under this Lease or acquiring such right to possession; (3) subject to any offsets or defenses which Tenant may have at any time against Landlord; and (4) bound by any rent which Tenant may have paid previously for more than one month in advance; and (C) upon request of the Mortgagee, if the Mortgage shall be foreclosed, Tenant will attorn, as Tenant under this Lease, to the purchaser at any foreclosure sale under any Mortgage.

(a) This Lease shall be subject and subordinate to the lien of any bank or institutional lender or other mortgage or mortgages now or hereafter in force against the land and buildings of which the Premises are a part, and to all advances made upon the security thereof. Landlord warrants that the holder of any such mortgage will recognize this Lease and not disturb Tenant's possession of the Premises in the event of foreclosure if Tenant is not then in default hereunder. Tenant agrees to execute such further instrument or instruments as may be necessary or reasonably convenient to subordinate this Lease to the lien of any such mortgage.

(b) Tenant acknowledges there are or will be mortgages on Landlord's property, to which this Lease is subordinate.

(c) Tenant agrees to execute a consent to assignment of lease in substantially such form as is attached hereto as Exhibit B".

9.2 **No Partnership.** Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and Tenant, or to create any other relationship between the parties hereto other than that of Landlord and Tenant.

9.3 **No Representations by Landlord.** Neither Landlord nor any agent or employee of Landlord has made any representations or promises with respect to the Premises or the building except as herein expressly set forth, and no rights, privileges, easements or

licenses are acquired by Tenant except as herein set forth. Tenant, by taking possession of the Premises shall accept the same "as is", and such taking of possession shall be conclusive evidence that the Premises is in good and satisfactory condition at the time of such taking of possession.

9.4 **Right of Assignee of Landlord.** Landlord shall have the right to assign this Lease without the consent of Tenant. The right to enforce all of the other provisions of this Lease hereinabove provided for may, at the option of any assignee of this Lease, be exercised by any assignee of the Landlord's right, title and interest in this Lease in his, her or their own name, notwithstanding the fact that any or all assignments of the said right, title, and interest may not be executed and/or witnessed in accordance with the Act of Assembly of May 28, 1915, 1 Sm.L. 99, and all supplements and amendments hereto that have been or may hereafter be passed and Tenant hereby expressly waives the requirements of said Act of Assembly and any and all laws regulating the manner and/or form in which such assignments shall be executed and witnessed.

9.5 **Remedies Cumulative.** All of the remedies herein given to Landlord and all rights and remedies given to them by law and equity shall be cumulative and concurrent. No determination of this Lease or the taking or recovering of the Premises shall deprive Landlord of any of their remedies or actions against Tenant for rent or other sums due at the time or which, under the terms hereof, would in the future become due as if there has been no determination, nor shall the bringing of any action for rent or breach of covenant, or the resort to any other remedy herein provided for the recovery of rent be construed as a waiver of the right to obtain possession of the Premises.

9.6 **Headings No Part of Lease Agreement.** Any headings preceding the text of the several paragraphs and subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Lease nor shall they effect its meaning, construction or effect.

9.7 **Damage to Demised Premises.** Promptly after termination of this Lease by either party hereto, Landlord shall inspect the Premises to determine damage, if any, for which Tenant is liable

and submit to Tenant for payment an estimate(s) from one or more appropriately qualified tradesmen or entities for repair of same. Tenant hereby agrees to pay such amount and Tenant's failure to do so shall entitle Landlord to all of their rights and remedies under this Lease to effect payment.

9.8 **Waivers.**

(a) No failure or delay by the Landlord in exercising any right, power or privilege under this Lease shall operate as a waiver of any right, power or privilege, except as and to the extent that assertion of such right, power and privilege shall be barred by a applicable statute of limitations.

(b) No single or partial exercise by the Landlord, or abandonment or discontinuance by the Landlord of any steps to enforce, any right, power or privilege under this Lease shall preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.

9.9 **Notices.** Insofar as the provisions of this Agreement, or the provisions of Pennsylvania law shall require notice to be given to any of the parties hereto, notice shall be deemed to have been given upon the deposit into the possession of the United States Post Office of a written document stating substantially the information of which notice must be given, to be sent by certified mail, return receipt requested, to the address (and if more than one to all of them) for each party indicated below (or such other address as such party shall direct in writing);

Landlord:
600 Penn Street, LP
50 North 5th Street
Reading, PA 19601

With copies to:
Shuman Development Group
Fifth Floor
50 North 5th Street
Reading, PA 19601

Tenant:

With a copy to:

600 Penn Street

Reading, PA 19602

whether such document shall be accepted or returned either refused or unclaimed. Notwithstanding any of the foregoing, any Notice actually received, or receipt of which is acknowledged, by the party to whom it is directed shall be sufficient for purposes of this Agreement.

Either party may change the identities and/or addresses of the persons to whom a notice is intended for such party should be directed, as set forth above, by issuing notice of such change to the other party.

9.10 **Legal Effect.** This Lease shall be binding and inure to the benefit of the Landlord, the Tenant and their respective heirs, personal representatives, successors and assigns provided that Tenant may not assign this lease or sublet the Premises without the prior written consent of the Landlord.

9.11 **Entire Agreement.** This Lease represents the entire agreement and understanding of the Landlord and the Tenant.

9.12 **Modification.** This Lease may be modified or amended only by a writing executed by the Landlord and the Tenant.

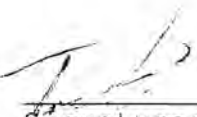
9.13 **Jurisdiction and Venue.** Tenant submits to the jurisdiction of the Pennsylvania courts. Tenant agree that if it institutes suit against Landlord, it shall do so only in the Court of Common Pleas of Berks County, Pennsylvania, unless jurisdiction over claims of the type asserted by Tenant is exclusive to courts other than the Courts of Common Pleas of Pennsylvania. This Lease shall be governed by the laws of the Commonwealth of Pennsylvania.

Tenant waives its right to a trial by jury in any action brought upon or by reason of this lease or transactions between Tenant and Landlord.

The undersigned, intending to be legally bound, have executed this Lease the date first above written.

TENANT

By:




Signature:

Title:


LANDLORD

600 Penn Street, LP

By:



Signature



Title:

EXHIBIT "A" - LEGAL DESCRIPTION

Approximately 6494 square feet, more or less, located on the 1st Rear floor(s) of the building known as 600 Penn Street, Reading, Berks County, Pennsylvania 19602, in the general location and configuration as depicted on the attached floor plan, subject to the actual positioning of any permanent walls generally marking the boundaries of the Premises.

See attached floor plan.

EXHIBIT "C" - RENT

Total sum of \$ 573,060.00 divided as follows:

Year	Begin Date	End Date	Monthly*	Yearly*
1	8/1/2022	10/30/2022	only utilities and equipment payment	
1	11/1/2022	6/30/2023	\$3788.00	\$34,092.00
2	7/1/2023	6/30/2024	\$3788.00	\$45,456.00
3	7/1/2024	6/30/2025	\$3788.00	\$45,456.00
4	7/1/2025	6/30/2026	\$4870.50	\$58,446.00
5	7/1/2026	6/30/2027	\$4870.50	\$58,446.00
6	7/1/2027	6/30/2028	\$4870.50	\$58,446.00
7	7/1/2028	6/30/2029	\$4870.50	\$58,446.00
8	7/1/2029	6/30/2030	\$5952.00	\$71,424.00
9	7/1/2030	6/30/2031	\$5952.00	\$71,424.00
10	7/1/2031	6/30/2032	\$5952.00	\$71,424.00

*Does not include utilities or equipment payment

Tenant agrees to make payments of \$925 on the 1st day of each month of the Lease starting October 1st, 2022 and ending on September 1st, 2027. If Tenant makes all payments as agreed, and is not in default of this Lease, then the kitchen equipment on the Premises at the beginning of this Lease becomes the property of Tenant.

Tenant has the option of extending this Lease for one(1) five year term at the rate listed below IF tenant notifies Landlord in writing Tenant is extending this Lease, Tenant is not in default, and notifies Landlord no later than January 31st, 2032.

11	7/1/2032	6/30/2033	\$7712.81	\$92,553.72
12	7/1/2033	6/30/2034	\$7944.19	\$95,330.28
13	7/1/2034	6/30/2035	\$8182.52	\$98,190.24
14	7/1/2035	6/30/2036	\$8428.00	\$101,136.00
15	7/1/2036	6/30/2037	\$8680.84	\$104,170.08

Tenant agrees to assist the Landlord by providing information to complete The Community Impacts Agreement and Annual Impact Survey in support of Landlord's financing for this property.

Landlord has the right to declare this Lease NULL AND VOID if Tenant becomes a nuisance to building operations or other building tenants, in Landlord's sole discretion. Landlord will provide one warning notice in writing and give Tenant ten days to correct any such issues.